

AB 761 (OROPEZA)

AUTO REPAIR REPORT CARD PILOT PROGRAM

PURPOSE

Next to one's home, the automobile is the most expensive item purchased by a consumer. Inspired by the successful "restaurant report card" program, AB 761 will provide consumers with the information to make an informed choice where to take their car before they walk through the repair shop door.

AB 761 requires every automotive repair facility in the pilot-program cities of Los Angeles and San Jose to prominently display a card containing either a "green ball" (no violations), "yellow ball" (violation), or "red ball" (serious violation).

The bill will also allow consumers to obtain information from repair shops about past disciplinary action.

AB 761 will make it easier to prove auto repair fraud by providing investigators with information necessary to interview mechanics about the completed repairs.

BACKGROUND

- An inspection program conducted by the Bureau of Automotive Repair (BAR) over an 18 month period revealed that 43% of cars inspected contained evidence of fraud, averaging \$586 overcharges per car for parts not used or labor not performed.
- The cost of theft and auto insurance fraud has been estimated to cost consumers at least \$1 billion annually.
- Auto repair rip-offs consistently rank in the top 5 consumer complaints.
- According to the CA Department of Insurance, most incidents of auto repair fraud take place in the State's southern region.

- A statewide survey conducted by Allstate found that 74% of consumers felt victimized by poor quality work or fraud by auto repair shops.
- The B.A.R., which operates under the State Department of Consumer Affairs, registers and regulates about 34,000 California auto repair shops and also licenses smog check, lamp and brake inspection stations.
- The B.A.R.'s anti-fraud pilot program, established in January 2001, provides California consumers with free inspections of recent auto body repair work to determine if they were defrauded.
- In August 2002, the B.A.R. reported that 43% of the vehicles inspected since the inception of the program were the subject of some type of fraud, especially the practice of billing for parts that were not actually replaced.
- Recently, a California Highway Patrol sting operation implicated 25 different auto repair shops and resulted in the arrests of 35 people for preparing false estimates for insurance claims.

SUPPORT

- Los Angeles City Attorney
- Better Business Bureau of the Southland
- AARP California
- Congress of California Seniors
- Gray Panthers California
- California National Organization for Women
- California Consumer Affairs Association
- Consumers for Auto Reliability and Safety
- Consumer Action

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